

## HB 3048 -1 STAFF MEASURE SUMMARY

### House Committee On Economic Development, Small Business, and Trade

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**Prepared By:** Mary Mackie, LPRO Analyst

**Meeting Dates:** 2/17, 3/19

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#### **WHAT THE MEASURE DOES:**

The measure directs the Oregon Business Development Department (OBDD) to study arts and culture in the state and to submit a report.

#### **ISSUES DISCUSSED:**

Provisions of the measure

#### **EFFECT OF AMENDMENT:**

-1 The amendment replaces the measure. It creates a new semi-independent state agency and combines the existing Oregon Arts Commission (commission) and the Oregon Trust for Cultural Development (trust) boards into a new single board to govern the office. It establishes a framework for the transition and requirements for the new office and board. The organizational changes made by the measure are operative July 1, 2027.

#### Detailed Summary:

Creates the new Oregon Arts and Cultural Development Office (office), as a semi-independent state agency. Establishes the new Oregon Arts and Cultural Development Board (board) to govern the office. States that Oregon recognizes a continuing obligation to contribute to the office, and that a continued financial partnership is essential to securing federal matching funds through the National Endowment for the Arts.

#### **Initial appointments**

Allows the Governor to appoint an interim director for the office before July 1, 2027, who may also be the Administrator of the Arts Program. Allows the interim director to consult with the Oregon Business Development Department (OBDD), the commission, and the trust to take any action before the operative date of the measure to enable the new office to exercise the transferred duties, functions, and powers. Appointments to the board may be made to allow appointed members to serve terms beginning on July 1, 2027.

#### **Existing Commission and Boards**

Abolishes the commission and the trust board. Transfers the duties, functions, and powers of the commission and trust board to the new office and board.

Directs the Oregon Business Development Department (OBDD) Director and the Administrator of the Arts Program to deliver all records, property that relate to, and transfer all employees engaged in, those duties, functions, and powers, to the new office.

Allows the Director of the new office to take possession the records and property. Allows them to employ transferred employees with no reduction of compensation, but subject to change or termination of employment or compensation as provided by law. Directs the Governor to resolve any dispute relating to the transfer. States that the transfer does not affect action, proceeding or prosecution before or pending at the time of the transfer.

States that the measure does not relieve a person of liability, duty, or obligation related to this transfer. Allows the office to undertake the collection or enforcement of any such liability, duty, or obligation. States that the

## HB 3048 -1 STAFF MEASURE SUMMARY

office is a continuation of OBDD, the commission and the trust and is not a new authority.

States that rules applying to OBDD, the commission, and the trust continue until superseded or repealed by rules of the office or board.

### **New Oregon Arts and Cultural Development Office**

States that the director of the office maintains administrative control of the office. Directs the board to set compensation for the director. Allows the director to appoint subordinate officers and employees and determine their duties and compensation.

Allows the director of the office to contract with state agencies as appropriate. Sets items that the director needs approval from the board for, including to:

- Award a contract, authorize expenditure, or sell property that is more than \$25,000.
- Commence legal proceedings.
- Sell or lease property.
- Borrow money.
- Finance, conduct, or cooperate in financing facilities or projects.

Allows the director to adopt rules necessary to administer laws that the office administers. Directs the board to only approve borrowing money or giving guarantees out of the office's own resources. Directs the office to file a biennial report, including financial activities and transactions, which is sent to the Governor, the Legislative Assembly, and the Legislative Fiscal Officer.

Sets the following objectives for the office:

- Complement, assist, and strengthen existing or planned arts and culture association programs and activities, promoting the broadest statewide public benefit and maintaining high artistic and scholarly standards.
- Encourage greater opportunities and recognition to Oregon artists and cultural development practitioners.
- Stimulate and encourage private and local initiatives and financial support for arts and culture programs and activities.

Adds actions that the office may take to carry out these objectives, including:

- Developing programs and plans for public agencies and associations to participate in federal programs that support the arts and cultural development.
- Working with cultural agencies to educate the public on the role of culture.
- Evaluating grant programs and the use of funds by core partner agencies.

Adds language allowing the office to take certain actions, including:

- Entering into agreements for cooperative endeavors.
- Making grants to local agencies, associations, or individuals for arts and culture programs.
- Acquiring property.
- Appointing staff, officers, consultants, agents, advisers, committees, consultants, artists, and other persons.
- Procuring insurance.
- Accepting various forms of funding.
- Any powers necessary for the operation and functioning of the office.

### **New Oregon Arts and Cultural Development Board**

States that the board will consist of 13 members, including:

- One member of Senate, appointed by the Senate President.
- One member of House of Representatives, appointed by the House Speaker.
- 11 members appointed by the Governor, including at least one expert each in heritage, historic preservation, the humanities, the arts, and museums.

## HB 3048 -1 STAFF MEASURE SUMMARY

Directs the board to reflect geographic and cultural diversity to the greatest extent possible. Sets requirements relating to terms, appointments, and quorum. States that members of the Legislative Assembly are nonvoting board members, and those who are not Legislative Assembly members are voting board members and are entitled to compensation and expenses. Allows members of the former boards to be appointed to the new board.

Sets the following terms for the members first appointed to the board:

- Two members serve a term ending July 1, 2028.
- Three members serve a term ending July 1, 2029.
- Three members serve a term ending July 1, 2030.
- Three members serve a term ending July 1, 2031.

### **Additional updates:**

Requires that all money collected, received, or appropriated to the office is deposited into an account. Requires the board to adopt a budget on a biennial basis. The budget is not subject to review or approval from the Legislative Assembly. Requires the board to hold a public hearing on the proposed budget and sets notice requirements for the hearing. Exempts the account from any state expenditure limitation.

Amends laws relating to core partner agencies disbursement and allowable use of funds. Adds language stating that the office shall allocate 26.7% of the amount disbursed for arts focused programs or projects. Changes the allocation of the amount to the core partner agencies from 80% to 53.3%.

Updates references to clarify the duties of the office and board.

- *FISCAL: Fiscal impact issued.*
- *REVENUE: No revenue impact.*

### **BACKGROUND:**

The [Oregon Arts Commission](#) (commission) was created in 1967 and made a part of the Oregon Business Development Department (OBDD) in 1993. Its mission is to enhance the quality of life for Oregonians through the arts by stimulating creativity, leadership and economic vitality. The [Oregon Trust for Cultural Development](#) (trust) was created in 2001 as part of the Oregon Secretary of the State. It was moved to OBDD in 2002. Its mission is to lead Oregon in cultivating, growing, and valuing culture and inspiring Oregonians to invest in a permanent fund that provides annual grants to cultural organizations. The commission and the trust determined that they would be better able to fulfill their goals if they combined to become a semi-independent state agency with a unified mission. A workgroup composed of commission and trust leadership developed a framework outlining a model for a new agency and a plan for transition. This framework has been approved by members of both existing boards.

House Bill 3048 directs the Oregon Business Development Department (OBDD) to study arts and culture in the state. The -1 amendment creates a new semi-independent state agency and combines the commission and trust boards into a new single board. The amendment was developed based on the framework created by the workgroup. It establishes a framework for the transition and requirements for the new office and board. The current commission, trust, and relationship with OBDD will continue through the end of the 2025-27 biennium. The measure makes changes to statute on the effective date, but the organizational changes are not operative until July 1, 2027.